



Board Level podcast
Australian Institute of Company Directors, powered by CommBank

Episode 2: the best kept secret of being a director

Hosted by: Catherine Fox
Interviewee: Jackie McArthur

Featuring:
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Jackie McArthur MAICD is on the boards of poultry producer Inghams, seafood producer Tassal, and funeral services provider Invokecare. She is also a former director of Blackmores and in her previous executive life was a supply chain executive at McDonalds.

Here Jackie, a former engineer, talks about moving from management into the boardroom, working with board recruiters, the importance of mentoring and... she reveals the best kept secret of being a director.

Rebecca [00:00:04] Hello and welcome to Board Level, the podcast that's changing the conversation around boardroom tables. Board diversity and gender balance makes sense and delivers better outcomes for shareholders, consumers, employees and the community. But with women holding under 30% of ASX 300 positions in 2019, having a seat at the boardroom table can still feel elusive. So we're here to challenge and change this. I'm Rebecca Warren, General Manager of CommBank's Women in Focus and we're proud to support the AICD in this valuable conversation. As a board member myself I know the challenges and the value of contributing at this level. We all have a role to play in improving board equality and diversity. So let's level up with your host Catherine Fox, award winning journalist author, presenter and leading commentator on women in the workforce.

Catherine [00:01:02] Welcome to Episode 2 of Board Level and a conversation with Director Jackie McArthur, a former engineer and supply chain executive, who's very clear about the value that she offers to a board, which is beyond a shopping list of her career highlights and about strategic thinking and also tells us about the invaluable support that she's got from a small but perfectly formed group of mentors. Welcome Jackie to Board Level.

Jackie [00:01:28] **Thank you Catherine.**

Catherine [00:01:29] Can you tell us a bit about your background and the pathway that led you into a non-executive director career?

Jackie [00:01:36] **I will do my best. It is not exactly what you might consider to be a linear career path to get to the board suite. But I started off life as an engineer. So I'm a graduate in aeronautical engineering. I loved my time working on the shop floor on Airbus and Boeing sub-assemblies out at Bankstown in Western Sydney and I did that for many years. Following that I sort of fell into, there's no other word for it, I fell into logistics supply chain manufacturing. One thing led to another and I ended up running supply chain for McDonalds in Australia then New Zealand then Asia Pacific, Middle East, Africa and along the way I looked after real estate and construction at McDonald's as well, menu development. So what started out as a pure supply chain career and logistics career ended up being more of a general management career. Then I found myself at the ripe old age of mid-40s and I remember thinking probably**

far too young to get into a non-executive director career and it was actually a long-held ambition of mine to do what I'm doing today. So I went off and I ran a logistics and supply chain organisation across Australia New Zealand and at the end of that all of the experience that I'd had in operations, in our supply chain, in food manufacturing and crisis management in consumer insights as well as of course a lot of experience at that I'd amassed in Asia and China. All of a sudden and I will say all of a sudden I was getting calls from head-hunters saying we're looking for someone that has operations experience, has run a P and L, preferably has run an organisation, has experience in Asia, particularly China, Southeast Asia global experience, financial acumen, has been able to grow a business and we really like supply chain as well. I kid you not Catherine that for whatever reason that sweet spot was in demand about 3 years ago and I was invited to interview for several board positions within an 18-month period. So I cannot describe the stroke of good luck that got me in front of the right people and secured me you know several board positions and it really isn't luck is it. But it is about you being able to highlight the skills that you've amassed at the right time. It's to those that are interested you know and I put it down to that. I've actually had a few people tell me, you're really lucky that there was a time when a lot of boards were desperate to have diversity on their boards women on their boards. It was kind of cool, but I would say that the bigger convergence of luck factors came down to my particular skillset.

Catherine [00:05:09] That doesn't surprise me that skill set, which is a fantastic combination was in demand. Go back to you said it was a long-held ambition to take this path. Why do you think it was so attractive to you? What attracted you to this kind of role?

Jackie [00:05:26] When I'm looking for board roles today and when I've looked for them, I go back to the initial reason why I wanted a N.E.D. career in the first place. I think it's the world's best-kept secret. But imagine if you're not just looking and working in one organisation with all of its strategic imperatives, the consumer vision, its desire for growth, its people and its whole value message to customers or whatever industry it's in. Imagine if you said at the end of 10 years you didn't just have the experience of working in one forward thinking organisation like that but you were able to peek under the hood of to 2, 3 or 4 organisations and look at their strategies and work with their talent pool and be a part of their growth story and all of the experience that you could get from that. I just thought it was the most phenomenal ambition that you could have because I do think that there is a new breed of board director coming through. I did not take on a non-executive director career to wind down. I didn't take on this career so that I could ease myself out of an executive position. I did this because I thought this was an even better way to get more experience in a marketplace that's moving so quickly. When you've got A.I., when you've got new technology imperatives. You know it's not just we'd like to do innovation anymore, these are innovation and technology imperatives that if organisations do not take them up at a certain rate, they're not only left behind but they're destroying shareholder value. So, I think it's so important for directors to be a part of the conversation to have relevant experience that's ever improving and adding to their skill sets so that they really can create value for shareholders. It's very hard to explain to you why I find that so enticing. I feel like it's self-evident. I do think it's the world's best-kept secret. I had a lot of head-hunters try to talk me out of a N.E.D. career initially. So, you're far too young, one. We need more women in senior ranks, two. We need more women running ASX 200s and you can go off and run an organisation. I couldn't understand why they thought it wasn't a fantastic idea to be on boards, when you've got so many opportunities to peek under the hoods of all of these different organisations. So, I never thought it was a trade off the way some considered it. Why wouldn't you want to? This is fantastic.

Catherine [00:08:33] What you're saying it sounds is very much for you about having impact too and as you say across sectors. So, whereas you may have a high level executive career in one organisation but did that become apparent to you before you were on boards? You've said you looked at that and thought about how did you understand that about boards when you were not on them?

Jackie [00:08:55] It's actually a great question and it's quite embarrassing to answer because I would have to say in all honesty I didn't fully appreciate, which is another nice way of saying, I didn't understand what it really meant. You only know what you know and when you've worked at senior levels no matter how senior as an executive, you still don't quite comprehend what it means to be a board director and how you need to add value in a different way. So, I thought initially and I suspect the foot in the door for me was the great experience that I'd amassed during my career. But in all actuality when you

arrive in the boardroom that they love the fact that you've got all the experience, but you need to learn how to as you just said have an impact and create value and add value to every conversation. Quite often what management don't need from a non-executive director and I'm sure I was every CEO's worst nightmare when I first started out in in board roles, but they don't need is for you to get right into the detail. To question every number that comes across your desk what they actually need from you is something that looks beyond the numbers on the paper. You need to understand them sure but you need to understand if this direction or this business case or this capital request or this general ambition that an organisation has to grow in a particular area is the right one for creating longer term shareholder value and will ultimately increase your earnings per share. In order to meaningfully have that conversation and dialogue at a board level you need to not think like an executive, which is what I pretty much did in my rookie roles for at least the first couple of quarters. It's very difficult. I still believe not only did I land on my feet and find my sweet spot in terms of experience that boards were after but I landed on my feet and found my sweet spot in terms of fantastic mentors, unofficial mentors, who really helped me understand from every little gem that fell from their mouths how it was actually I was going to need to engage in the conversation if I was going to add value and impact. If you use it, it's like they say if you surround yourself greatness, you cannot help but be impacted positively. For all of my boards I've been really fortunate to have directors that I've learnt from every word they've said even casual corridor conversations during lunch breaks.

Catherine [00:12:04] In hindsight is there anything that you think and indeed do give advice to aspiring board directors to maybe prepare themselves for that initial couple of quarters or it might be a bit longer where you make that adjustment to where you add value around the board table?

Jackie [00:12:20] Yes, I do. Yes, I do and I do mentor a few people and I always start off by telling them look there's no amount of preparation I can give you for the first few board meetings because it'll be another language. I'll say words like it's about governance and it's about strategic direction and you'll do exactly what I did when I was in your position and nod and go, "Well yeah I get it. I understand what it means to be a board director. I've done the company directors course so I'm well versed and quite ready, thank you very much." But I always give them my story. I think giving people your own personal perspective on where you thought you were strong, which was my skill set. What was unexpected which was how I actually needed to add value and how I want to keep growing as a director i.e. my journey is not over yet. I give them those 3 perspectives because it's so important to understand that this is quite an evolutionary piece in your career, which might be counterintuitive to what people might read in the media or believe in popular culture. But it's so important that board directors in particular see their skills evolving over time.

Catherine [00:13:47] You mentioned the about 3 years ago with the sweet spot where a combination of your skills was very much in demand. Taking you back to before then, were you surprised about some of the things that you brought to the table that were of interest to say recruiters and boards that perhaps you hadn't thought would be relevant?

Jackie [00:14:09] Yes, absolutely and the good head-hunters and recruiters would say, "Tell us about your career." I would generally go back about 10 years and good recruiters go, "No. Tell me about where you grew up. Tell me about what you did at university." Surprisingly and I've always sort of glossed over it but I don't anymore, the fact that I was once an engineer was of great interest to many recruiters and to some particular boards that I'm actually on today that was not a skillset that I felt was actually even relevant. They liked the problem-solving part of the fact that you're an engineer and they like your career progression as well. There is another strength, which I had always perceived as a weakness and I had 2 recruiters call it out for my first 2 board roles that I was successful in securing and that was the age old question, "Tell us about when something has gone horribly wrong and you are a part of it." I've got plenty of examples in my career, the real trick is in trying to choose one that is balanced and can show that you've learnt from it and all of that. But you'd get to the end of that. I remember one recruiter saying, "That's really excellent Jackie, we really appreciate that." The client has asked for a director that has scars, that has gone through significant problems in their career, significant issues and has battle scars. They kept saying they want directors that have scars that have seen some bad things happen and know how to survive it. I thought, "Boy that's very different to tell us about a bad situation and how you got

yourself out of it," completely different. When you've done a lot of work in Asia, particularly in the food industry, you've got some battle stories and they loved it. Now I find that that's something I ask when I'm interviewing other directors. When I'm mentoring people I call that out and say you should be quite proud of that part of your evolution as a director and as a senior executive. The fact that you've not only learnt from these things, but you've experienced them. You're calm under pressure when you've gone through enough of those sorts of little issues in your career.

Catherine [00:16:46] So you described the set of skills, the brand if you like, that you represented that was in high demand in just a few years back. How is that changed? So, when you were sitting out on your career, what would have been the description you would have given of your skills at that point?

Jackie [00:17:02] When I was initially asked by recruiters what experiences, what skill sets and what value did I think I could bring to a board, I would rattle off all the usual suspects which was supply chain, logistics, crisis management, quality procurement, real estate, construction like any area that I'd worked in, I would just list often and I was all truthful. But what I failed to really comprehend is that that gave me a really good strategic perspective on various objectives that organisations can have how easily they can get to a vision or a strategy. I really underestimated the strategic views and experience that I'd amassed in my career. I saw it more as a here's all the stuff I can do rather than and this is how I've added to the value of the organisations that I've worked in. The best example I can give you of when I finally understood what I was missing when I was talking to recruiters and to people about my brand I was in this very long board interview, they were 5 panelists from the board, all great directors and at the end of it, I guess the most senior not the chair but the first among equals of all the other directors, who was known for being quite blunt said after the interview, "Jackie they said they were sending me a supply chain person and he almost spat the words out and he said but you are great. You're very strategic. You've spoken about things like consumers and consumer insights and how we need the right back office systems in order to deliver the future." He said, "I told them I don't need a supply chain person but I'm glad they sent you." I remember thinking, "Well I really got that role in how I sold myself to the recruiter," and that message that he gave me thankfully at the end of the interview probably would have shaken me at the beginning is one that will never leave me and it's one that I pass on to a lot of my mentees as well.

Catherine [00:19:25] Jackie you mentioned mentors before, I wonder if you also have a broader network of people that you're able to discuss some of the issues that arise being a non-executive director.

Jackie [00:19:34] Yes, I do Catherine. I would preface that by saying I never considered myself to be well networked. Like many people I guess I see myself as being quite tragic in the area of networking. I really have to push myself to go to certain functions or networking functions that I know will bring me into a circle of people that are not people I've met before but will somehow be very good for me to know and understand where they're from and for them to understand where I'm from. So, I'd never been broadly networked but there are maybe a dozen people in my career and not all of them a board director but they are all CEOs but there are about a dozen people that I can absolutely trust. If I went to them and said I'm having some issues on this board or I'm wondering has this ever happened to you in your career. I know that they would not only give great advice but that whatever issue I've got is in the vault. Everyone needs those people in their lives, and these are not just contacts and they're not just good friends and they're not just acquaintances and they're not mentors. At various times their roles have changed, at various times they've been my champion, they've actively spoken about my skill set when I'm not in the room. They've put me forward for board roles I didn't think I was ready for. They've been quite active in helping me in their career as I have with them as well. But at this stage of my career they are invaluable support because some of the issues that I have questions around are just are sometimes they're issues of governance, sometimes they're issues of compliance and that network that you know the one I said I don't have a network because I don't network, as it turns out I have a strong group of individuals at various stages of their career that I can rely on and call on and trust to give great advice.

Catherine [00:21:54] Jackie, you said earlier that this is an active part of your career not an add-on not a segue into retirement. Is that something that you would say to an aspiring woman director these days to maybe look at it

in a slightly different way because that has certainly been the case until now a lot of times we say, "Don't do this too early." So I'm interested in that, you flipped that on its head. Is that something you would pass on to a potential board director?

Jackie [00:22:23] I'm always very clear about what being a board director means to me. It is a continuation of my career and I believe it will add to my skillset markedly. Now that's very relevant advice for me. It may not be relevant advice for a lot of other people or a lot of other women or a lot of other aspiring directors. There are some that would want no more than 1 possibly 2 board roles. It may well be that given their lifestyle they don't foresee that beyond the immediate value and the impact they know they can have in these say 1 or 2 organisations that they want to go any further. So you know I realize and appreciate that my approach is not for everyone but you know if I came across someone like myself and they were talking very much around so what is this next wave of technology? How will consumers be reacting to brands in 10 years time vs. how they use brands today? Where is A.I. going? What about autonomously guided vehicles and the impact that's going to have on everything from consumer preferences to climate change? All of those sorts of things, if people are talking about a broad range of issues and dynamics and even skill sets that extend beyond their own that they've gotten either in their executive career or in their fledgling board career I would absolutely give them the pep talk, which is you know if you think about it from this other perspective you should be in a box seat when it comes to either Australian manufacturing or Australian industry or this particular area of expertise that you feel you have. You might well be able to stretch your experiences and your skill sets that you have today to have even greater influence and impact across organisations one day. For some people that's a great message that they've just been waiting to hear. For others it's completely not appropriate. But I do find that there are more and more people that are looking at if this is the base experience I've got today, how can I extend that even further? How can I extend my influence? I think that's a very rewarding conversation to have with people with women and particularly people like myself that maybe thought, "I don't have a law degree. I haven't been a CFO. I'm not particularly well connected with ASX 100s. I'm probably not destined to have a board career." I think that being able to talk to people from more diverse backgrounds is a very exciting thing to be able to do. There are several directors I know that talk exactly how I talk. So I have great confidence that there will be a lot changing in boardrooms in the not too distant future.

Catherine [00:25:50] So don't deal yourself out.

Jackie [00:25:52] Absolutely, you need to look at the way things are today. Talk to enough people to know that the only constant in life is change and try to work out how your skillset is going to converge with a board career further on down the track because this is about playing the longer term game rather than the one that's immediately in front of us today so that's why you can't deal yourself out, your skills are needed, who knew?

Catherine [00:28:54] What an inspiration you are, thank you so much Jackie.

Jackie [00:28:58] Thank you Catherine.

Rhian [00:28:59] Thanks for listening to Board Level, hosted by Catherine Fox, for the AICD and powered by CommBank's Women in Focus as we change the conversation around boardroom tables. I'm Rhian Richardson, Board Diversity Manager at the AICD inviting you to visit aicd.companydirectors.com.au where you can join the conversation, access show notes with all the links mentioned in today's show and discover valuable resources. Subscribe to the Board Level wherever you get your podcasts so you don't miss an episode. There is so much to be gained by shifting the balance. So let's level up together and keep the conversation flowing.